

PETER DeFAZIO



REPORTS

Congress of the United States
House of Representatives

Dear Friend,

It's been a long, hot summer in D.C. as Congress and the Administration battle over spending priorities and the war in Iraq. Despite the Presidents stubborn "stay the course" strategy I believe we must set a timeline for the withdrawal of our troops in Iraq (pg. 3).

I'm pleased that I was able to help secure a one-year extension of the county payments program to help continue vital county services and long-overdue disaster assistance for salmon fishers and coastal communities (pg. 2). Congress is also taking action to restore funding for vital services like education (pg. 2) and veterans services (pg. 3). But there's plenty more to do. The country needs a sensible energy plan to control surging gas prices and reduce our dependence on imported oil (this page). We also need to enact legislation to provide all Americans with access to affordable healthcare (pg. 2). And we need policies that will bring and keep manufacturing and high wage jobs in the U.S. and in Oregon (pg. 3).

Whether you agree or disagree with me on the above issues, I hope you will attend one of the 16 town hall meetings I will hold in August (pg. 4). As always, don't hesitate to contact me if you are having problems with a federal agency.

Sincerely,

Congress Takes on the Oil Industry

For decades, Big Oil has had extraordinary influence in Washington, D.C. For the last six years, the President and prior congressional leadership delivered anything the industry asked for. Oil companies reap record profits and their CEOs enjoy massive pay checks. **Gas prices have risen to record levels every year.**

This year, with new leadership in Congress, we have begun to take long overdue steps to crack down on the industry and improve our energy security. But, much more should be done to protect consumers, promote alternative fuels and technologies and end our long-term dependence on monopolistic oil companies and repressive oil regimes in the Middle East.

Oil Companies reap record profits and their CEOs enjoy massive paychecks...

In January, the House approved H.R. 6, legislation to ensure oil companies pay adequate royalties for drilling in public lands, and end multiple giveaways for Big Oil in the tax code. Further, the bill creates a fund to invest in clean energy resources and alternative fuels, and improve efficiency and conservation.

In May, the House approved H.R. 1252, legislation to outlaw price gouging at both the retail and wholesale levels, with penalties of up to three times the amount of their ill gotten profits.

I also support bipartisan legislation, H.R. 670, to require a reduction in U.S. oil consumption by 2.5 million barrels a day within 10 years. This would be accomplished by expanding federal research into alternative fuels, providing incentives for American automakers to speed commercialization of more efficient and alternative fuel vehicles, providing farmers with support to grow crops for use as fuel, increasing support for public transit, increasing the number of flexible fuel vehicles on the road, and increasing tax incentives for consumers who purchase fuel efficient vehicles.

I am a cosponsor of H.R. 594, which would subject all oil trading to the same regulation as other commodities, which experts say could reduce prices by 25 percent at the pump. Seventy-five percent of the oil supply is traded off the books. Speculators and oil companies secretly buy and sell contracts repeatedly to drive up the price and their profits.

And, I have introduced my own gas price legislation, H.R. 1500, which: imposes a windfall profits tax on oil companies that don't reinvest their profits in expanding refining capacity or in alternative fuels; mandates an increase in the fuel efficiency of cars and trucks; requires a trade complaint at the WTO against OPEC; and limits oil industry mergers, which have reduced competition and raised prices.



Rep. DeFazio presides over the first hearing of the Highways and Transit Subcommittee. Ranking member John Duncan is also pictured.

Chairman DeFazio

At the start of the 110th Congress, I was named Chairman of the House Subcommittee on Highways and Transit. This is the largest subcommittee in the House and is responsible for spending and oversight of the \$40 billion spent from the Highway Trust Fund each year. This spending is fully paid for by our gas taxes and does not add to the deficit.

I will use this position to invest in our nation's crumbling infrastructure, create good paying jobs here at home, reduce congestion and improve incentives for energy efficient modes of transportation.

Extending Health Insurance to All

The United States is the richest nation in the history of the world. Yet over 46 million Americans have no health insurance, including more than 600,000 in Oregon. Tens of millions more are only one job loss away from losing their health care. Untold numbers of Americans who actually have insurance must fight their insurance companies to get the coverage they were promised. And, the rising cost of insurance is increasingly putting it out of reach for small and medium sized businesses and making them less competitive with others around the world. This is a public health and economic emergency.

I have proposed that the federal government provide health care security through a plan for the uninsured and underinsured that would compete with offerings from private insurers. Benefits would be based on those available to all federal employees and Members of Congress. Anyone who wants to could sign up for coverage under the federal plan. Funding would come from some of the existing federal dollars spent on health care, modest cost-sharing by beneficiaries and a charge to participating employers. You would be able to choose your doctors. And, no one who currently has insurance, whether private or via federal programs, would be forced to change. This plan would keep what works reasonably well in the current system but would also provide a new option for individuals and employers who don't have insurance or want another option.

Congress should repeal the anti-trust exemption for the insurance industry. Insurance companies and Major League Baseball are the only two industries to be exempt. That means **insurance companies can legally collude to raise prices and exclude**



Rep. DeFazio discusses health care with seniors at the Lane County Fair.

individuals from coverage. I have introduced legislation, H.R. 1081, to repeal this exemption.

Congress should also require insurance companies to cover everyone who seeks coverage and not allow discrimination in coverage or premiums. This would lead companies to compete on price, quality of service, and their ability to keep customers healthy rather than on their ability to exclude millions from coverage and refuse renewals for those who develop serious illnesses.

Congress can also help lower the price of prescription drugs, a significant factor in rising health care costs. I have supported allowing the reimportation of affordable, FDA-approved drugs from countries like Canada as well as allowing Medicare to negotiate for lower drug prices. And, I support requiring drugs that are developed with taxpayer dollars through the National Institutes of Health to be offered to consumers at reasonable prices.

Health care is one of the biggest challenges facing families and employers. Congress needs to get off the sidelines and debate solutions.

County Payments

Good news came in May for rural communities in Oregon when Congress approved a one-year extension of the Secure Rural Schools program (county payments) which expired last September. The Secure Rural Schools Act has been vital to funding county services such as law enforcement, roads, libraries, and search and rescue operations. Last year, the county payments program provided nearly \$280 million to 33 Oregon counties for these essential services. Prior to the enactment of the county payments program, counties received a percentage of receipts from timber harvests on federal lands. As timber harvests decreased, Congress enacted the county payments legislation in 2000 to help stabilize these payments and ensure proper funding for vital county services.

Last year, under the Republican majority, Congress failed to reauthorize this important law. I am pleased that within five months, the new Democratic majority in Congress succeeded in securing funding for one more year for Secure Rural Schools. This emergency funding will give us time to craft a more permanent solution to the county payments crisis. This is my highest priority for this Congress.

Congress also approved \$60 million in disaster assistance for salmon fishers and their communities that have been financially devastated by last year's virtual closure of the coastal salmon fishing season. I'm pleased that despite the Presidents veto threat, that Congress included this assistance for rural communities which have been suffered financially due to federal policies.

Improving Access to Quality Education

Improving and expanding access to educational opportunities is vital. However, between 2001 and 2010, two million academically qualified students will not go to college because they cannot afford it.

Those who do attend often find themselves overwhelmed with debt. The average public university student in Oregon graduates nearly \$20,000 in debt. Because of college debt, 38 percent of college graduates delay buying their first house, 14 percent delay marriage and another 14 percent delay having children.

Last year, the Republican leadership passed a bill with \$12 billion in cuts to student loans in order to pay for tax cuts for millionaires. This Congress, things are different. Students are coming first, not wealthy investors.

The House passed a bill that cuts the interest rate on subsidized college loans for undergraduates in half over the next five years. Congress also approved the first Pell Grant increase in four years with an additional increase adopted in July, helping 5.5 million students.

I am also a cosponsor of legislation, H.R. 1010, to encourage more schools to participate in the federal direct student loan program. If Congress would stop using taxpayer money to subsidize profitable banks, then more dollars would be available to make additional student loans and at less cost to students and taxpayers.

Improving elementary and secondary education is also critical. The reauthorization of the No Child Left Behind law is being debated this year. While accountability is important, I have serious reservations about how the law is working and believe it should be reformed.

In addition, the President has under-funded his own education initiatives by tens of billions of dollars since 2001. By contrast, the House version of the 2008 education spending bill includes a \$2 billion increase for NCLB programs.

An adequate education is important both to individual families as well as to the economic future of our nation. Congress needs to invest more in education.



Governor Kulongoski and Rep. DeFazio meet with several DeFazio scholarship recipients to discuss higher education.

Bringing Our Troops Home from Iraq

The U.S. has won the war in Iraq. Saddam Hussein is dead. There is no threat from weapons of mass destruction. Yet, the President insists that U.S. troops stay in Iraq for a decade or longer.

The war in Iraq is undermining our fight against al-Qaeda by diverting military and intelligence resources from the hunt for al-Qaeda leadership along the Afghan-Pakistan border and by serving as a training ground and recruitment poster for terrorists.

The President keeps saying that if we don't fight there, we'll have to fight here at home. The bulk of the problems are caused by sectarian violence between Shias and Sunnis, who are vying for control of the central government in Iraq.

It is also misleading to say that if the U.S. leaves, Osama bin Laden will take control and establish a safe haven in Iraq. There is no chance

that the Shia and the Kurds, who represent around 80 percent of Iraq's population, will allow a foreign Sunni terrorist to take control of the country. Even a majority of Iraqi Sunnis have grown tired of foreign terrorists operating there and are attacking the handful of al-Qaeda fighters in Iraq.

I opposed the Iraq war from the beginning, and I have voted to establish firm timelines for bringing our troops home and to block open-ended funding for the war.

The Iraqi people have repeatedly indicated their support for a U.S. withdrawal. A majority of the American people want U.S. troops to come home. And the Iraqi parliament is reportedly weighing a resolution calling for a timeline for the withdrawal of U.S. troops.

Our troops have done all that has been asked of them in Iraq. Democracy and stability cannot

be imposed on unwilling parties. The reality of a U.S. withdrawal should force the Iraqi factions to reach the compromises necessary to move their country forward. If not, there is no reason to prolong the U.S. involvement in Iraq if we want a stable country more than the Iraqi people and their elected leaders do.

A Historic Investment in Vets

I am pleased to report that the House of Representatives has approved several bills of importance to veterans.

In H.R. 2642, the fiscal year 2008 spending bill for the Department of Veterans Affairs (VA), the House has provided for the largest increase in funding for veterans' health care in the VA's 77-year history. Unlike the President's budget, which proposed doubling the prescription drug co-payment for veterans and imposing an annual enrollment fee of up to \$750, H.R. 2642 will not shift costs onto the backs of veterans.

The government must do more than provide rhetorical support for our troops. This bill provides actual dollars to improve the delivery of health care services, meet the increasingly complex health care needs of veterans of the wars in Iraq and Afghanistan, and reduce the frustratingly massive backlog in disability claims.

H.R. 2642 includes \$43.2 billion for the VA, \$3.8 billion above the President's request and \$6.7 billion above the 2007 level. This funding will improve the delivery of health care services, add over 1,000 new claims processors to reduce the backlog of 400,000 disability claims, and fund new initiatives to better address post-traumatic stress disorder (PTSD), mental health needs, polytraumas, and substance abuse among veterans.

This funding is in addition to the nearly \$2 billion for the VA and \$2.8 billion to improve military health care that was included in the latest Iraq spending bill.

The House also approved H.R. 1538, the Wounded Warrior Assistance Act. This legislation was in response to the problems uncovered at the Army's Walter Reed Hospital. The bill will create a new system of case managers, advocates and counselors for wounded service members to monitor progress, track cases and ensure proper care; improve the transition of troops from the military health care system to the VA; establish a toll-free hotline for service personnel and family members to report problems with care of facilities; and ensure wounded members of the National Guard

and Reserves can receive medical care at the military treatment facility closest to their home rather than the base they deployed from, which can be thousands of miles from home.

Finally, to permanently address persistent funding shortfalls for veterans programs, **I am a strong supporter of the Assured Funding for Veterans Health Care Act. This legislation would end the annual ramping up or down of this vital funding by making veterans health care spending a mandatory part of the federal budget** with increases automatically provided based on the number of veterans eligible for care.



Rep. DeFazio discusses funding for veteran's services with veterans. Congress recently approved historic increases in funding.

Support US Manufacturing



Rep. DeFazio recently toured JCI Crushers in Springfield which manufactures equipment for federal highway projects.

I was angry to learn that U.S. tax dollars were diverted to China for steel that would be used to build bridges here at home. **Our tax dollars should be used to contract with companies that employ American workers, not to build factories and provide jobs overseas.**

I am a strong proponent of the Buy American Act. This law gives preference to American-made goods in federal government purchases. Maintaining a robust domestic manufacturing base is important for both our economic and national security. I'd like to be able to buy more quality goods with a "Made in America" label.

Each manufacturing job produces up to four jobs in other sectors. Each \$1 produced by manufacturers creates \$1.43 in economic activity. Wages and productivity in the manufacturing sector are much higher than other sectors.

Unfortunately, in just the last six years, three million manufacturing jobs have been lost. Since 1999, more than 40,000 manufacturing plants have closed. What can be done to support American workers and industry?

- Enforce and expand the Buy American Act;**
- Curtail tax deductions and federal contracts for companies that export jobs;**
- Withdraw from and renegotiate trade deals like NAFTA;**
- Enforce laws against the dumping of foreign products and imposing stiff tariffs in response; and,
- Increase funding for programs that assist small manufacturers to upgrade their operations.

What’s On Your Mind? Come to a Town Hall Meeting

Since I came to Congress, I have held over 300 town hall meetings across Southwest Oregon. I have developed many legislative initiatives based on my conversations with Oregonians at these meetings. Please note the dates and locations of my upcoming town hall meetings below. I look forward to meeting with you and your neighbors to discuss current issues before Congress, and to hear your ideas and opinions. Hope to see you there.

| Coos County | Benton County | Douglas County | Lane County |
|---|--|---|---|
| Coos Bay Thursday, August 16 12:00 PM - 1:00 PM <i>CB City Council Chambers</i> 500 Central, Coos Bay | Monroe Tuesday, August 14 10:30 AM - 11:30 AM <i>American Legion Hall</i> | Reedsport Thursday, August 16 10:00 AM - 11:00 AM <i>Port of Umpqua Conference Room</i> 364 North 4th Street | Eugene Wednesday, August 15 2:00 PM - 3:00 PM <i>Campbell Senior Center</i> 155 High Street |
| Bandon Thursday, August 16 2:30 PM - 3:30 PM <i>Sprague Community Room, Bandon Public Library, City Park</i> 1204 11th Street SW | Corvallis Tuesday, August 14 1:30 PM- 2:30 PM <i>Corvallis Senior Center</i> 2601 NW Tyler Avenue | Sutherlin Monday, August 20 12:00 PM - 1:00 PM <i>Sutherlin Community Center,</i> 151 S. Willamette | Springfield Wednesday, August 15 5:30 PM - 6:30 PM <i>Springfield City Council Chambers</i> 225 5th Street |
| Curry County | Linn County | Canyonville Monday, August 20 2:30 PM - 3:30 PM <i>Seven Feathers Convention Center, Room A,</i> 146 Chief Miwaleta Lane | Eugene Wednesday, August 15 7:00 PM - 8:00 PM <i>EWEB Training Center and Community Room</i> 500 E. 4th Ave, Eugene; |
| Brookings Friday, August 17 10:30 AM - 11:30 AM <i>Community Room, Chetco Community Library</i> 405 Alder Street | Albany Tuesday, August 14 5:30 PM - 6:30 PM <i>Albany City Council Chambers</i> Water Street N.W. | Roseburg Tuesday, August 21 5:30 PM - 6:30 PM <i>Roseburg City Council Chambers,</i> 900 SE Douglas | |
| Gold Beach Friday, August 17 12:30 PM - 1:30 PM <i>Blue Room, Curry County Annex</i> 94235 Moore St | Josephine County | | |
| | Grants Pass Monday, August 20 5:30 PM - 6:30 PM <i>Anne Basker Auditorium,</i> 604 NW 6th Street | | |
| Port Orford Friday, August 17 3:00 PM - 4:00 PM <i>Port Orford City Council Chambers</i> 555 West 20th Street | | | |

I hope you can attend
a townhall meeting near you!
Pdz

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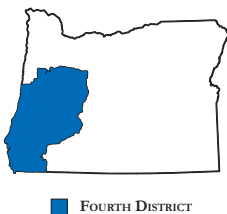
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